

LABOR AGREEMENT

between

**Magna Steyr L.L.C.
Toledo Paint Facility**

 **MAGNA STEYR** and



**International Union, United Automobile,
Aerospace and Agricultural Implement
Workers of America, UAW**

and its

Affiliated Local Union, 12

January 19, 2008

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ARTICLE 1 – INTRODUCTION

1.1 Introduction

(a) This Agreement is made and entered into this 19th day of January, 2008 by and between Magna Steyr LLC, Toledo Paint Facility, 3800 Stickney Ave., Toledo, Ohio 43608, hereinafter referred to as the Company, and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW and its affiliated Local No. 12, hereinafter referred to as the Union.

(b) The Parties recognize that this is a historic endeavor and that the progress for the Company and the members of the Union is to a large extent interdependent. Therefore, we are committed to building and maintaining an innovative and harmonious labor-management relationship.

ARTICLE 2 – COMMITMENTS, RIGHTS AND RESPONSIBILITIES

2.1 Commitments

(a) The Company and the Union enter into this agreement with the joint realization that maximum utilization of human resources potential is vitally important to the objectives of the Company, the Union, and individual employees. A critical element of human resources development is the adoption of a team based style of operation. The team based style acknowledges the important contribution that can be made by soliciting input from employees regarding matters which directly affect them in their work environment. This operating style recognizes the need to continuously improve relationships, based on trust and respect. In that regard, the parties pledge to resolve or adjust differences that affect their relationship through full and open communication and in a manner which exhibits tolerance, patience and objectivity, and avoids confrontation.

(b) In addition, the Company and Union pledge to maintain a genuine and unreserved spirit of cooperation, with a common goal of enhancing the dignity and self worth of all employees. The Company recognizes that it must foster this relationship through a true team effort in cooperation with the Union. The Company's commitment to job security and competitiveness is coupled with the Union's acknowledgment that the Company must produce the highest quality products at the lowest cost through flexible and efficient work practices.

(c) The Company and the Union recognize the Magna Steyr Production System (MSPS) is a vital methodology to improve the operations at the Toledo Paint Facility (TPF).

2.2 Management Rights

(a) The Management of the Company and the direction of the workforce are the responsibility of the Company. Except as expressly limited by the terms of this Agreement, the Union recognizes that the Company has the exclusive right to manage its plants and property, including, but not limited to, the right to select, direct, decrease or increase the working force; to transfer or lay off employees because of lack of work; to discipline and discharge employees for just cause; to maintain discipline and efficiency of employees; to determine the products to be manufactured or processed; to determine the suppliers and materials to be used, in both production and non-production activities to establish schedules of production and production standards; to determine the methods, processes, means, extent of operations and places of manufacturing; to set the working hours; and to make such reasonable rules and regulations not in conflict with this Agreement, as it may from time to time deem best for the purpose of maintaining order, safety and effective operation of the Company's plant.

(b) If changes are going to be made in the established rules and regulations, the Company will notify the Union and discuss those changes prior to implementation. The Union reserves the right to question the reasonableness of the Company's rules or regulations through the grievance procedure.

2.3 Union Responsibilities

- (a)** The Union has the exclusive responsibility of representing its membership regarding all terms and conditions of employment and to ensure that they are treated consistent with the terms of this Agreement and that they receive fair and equitable wages and benefits.
- (b)** The Union accepts the responsibility to promote the common objectives and to cooperate with the Company to promote constant improvements in quality and productivity.

2.4 Employee Responsibilities

The Company and the Union recognize and accept their responsibility to strive to create and maintain a positive work environment. To accomplish the same for the present and the future, all employees shall have the following responsibilities:

- Support the performance of the total team;
- Meet team goals and participate in setting of team goals;
- Work within Company guidelines and philosophy;
- Respect the individual rights of others;
- Support and abide by standards of conduct and attendance policies;
- Promote good housekeeping and maintain a safe work environment;
- Continually look for opportunities to make the Company more efficient;
- Achieve quality goals and improve quality standards;
- Support the team concept; and
- Assist the Company in meeting production goals and schedules.

ARTICLE 3 – RECOGNITION

3.1 Union Recognition

The Company recognizes the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, Local No. 12, as the sole and exclusive bargaining representative for all full-time and regular part-time hourly production and maintenance employees employed by the Company at its Toledo, Ohio facility located at 3800 Stickney Ave, Toledo, Ohio 43608; but excluding all office and clerical employees, engineering and technical employees, managerial employees, guards and supervisors as defined in the National Labor Relations Act, other employees who have been excluded by decision of the National Labor Relations Board for the purpose of collective bargaining and temporary or contract workers.

3.2 Equal Application of Agreement

- (a)** It is the policy of the Company and the UAW that the provisions of this Agreement be applied to all employees covered by this Agreement without discrimination because of race, color, religion, age, national origin, status as a qualified person with a disability, sex, including sexual harassment, sexual orientation, union activity and membership in any legally protected class.
- (b)** Any employee, who claims that, in violation of the foregoing principle, he has been denied rights guaranteed by this Agreement, may complain as provided in the Grievance Procedure. Any such claim when presented in writing, pursuant to the First Step of the Grievance Procedure, must contain a full statement of the facts giving rise to the claim and the reasons why the employee believes he has been discriminated against.
- (c)** The Grievance Procedure shall be the exclusive contractual procedure for remedying such claims.

3.3 Work by Salaried Employees

It is the express policy of the Company that supervisory and other non-bargaining unit employees will not perform the work of bargaining unit employees except in the following limited situations:

- (a)** In the instruction or training of employees in the performance of their work;
- (b)** In the performance of work to prevent damage to product or equipment which is of an emergency nature or emergencies arising out of unforeseen circumstances which call for immediate action to avoid interruption of operations;
- (c)** Development of new techniques.

3.4 Successors and Assigns

This Agreement shall be binding on the parties, their successors and assigns.

ARTICLE 4 - UNION SECURITY

4.1 Requirement of Union Membership

- (a)** Employees covered by this Agreement at the time it becomes effective and who are members of the Union at that time shall be required as a condition of continued employment to continue membership in the Union for the duration of this Agreement.
- (b)** Employees covered by this Agreement who are not members of the Union at the time it becomes effective shall be required as a condition of continued employment to become members of the Union for the duration of

this Agreement, on or before the thirtieth (30th) day following such effective date.

(c) Employees hired, rehired, reinstated or transferred into a bargaining unit after the effective date of this Agreement and covered by this Agreement shall be required as a condition of continued employment to become members of the Union for the duration of this Agreement, on or before the thirtieth (30th) day following the beginning of their employment in the unit.

(d) An employee who shall tender an initiation fee (if not already a member) and the periodic dues uniformly required as a condition of acquiring or retaining membership shall be deemed to meet the conditions of this section.

(e) Employees shall be deemed to be members of the Union within the meaning of this section if they are members and are not more than thirty (30) days in arrears in payment of membership dues.

4.2 Dues Check-off

During the life of this Agreement and in accordance with the provisions of Section 302(c) of the Labor-Management Relations Act, 1947, as amended, and to the extent the laws of the applicable jurisdiction permit, the Company agrees to deduct Union initiation fees and membership dues levied in accordance with the Constitution and Bylaws of the Union from the pay of each employee who executes or has executed an authorization for such deductions on forms furnished by the Union.

4.3 Deductions

The Company shall have no responsibility for the collection of initiation fees or membership dues not in accordance with this provision.

4.4 V-Cap

The Company agrees during this Agreement to deduct from the pay of each employee voluntary contributions to UAW V-Cap providing the employee executes the appropriate authorization on forms furnished by the Union.

4.5 Transmittal of Deductions

Deductions for Union initiation fees, membership dues and V-Cap contributions shall be transmitted by the Company to the Union in the first pay period of the month following the month in which the deductions were made. The Company shall furnish identifying information to the Union with the deductions as reasonably requested by the Union.

In the event that an employee has not earned forty (40) hours pay during the month at the time of the deduction, the Company will make the deduction from the first paycheck in which the employee has earned forty (40) hours pay for the month. The foregoing shall not apply to deductions from Regular Benefits under the SUB Plan.

4.6 Indemnification

The Union shall indemnify and hold harmless the Company against any and all liability which may arise by reason of the deduction by the Company of money as Union initiation fees, membership dues and V-Cap contributions from employees' wages or of money as Union membership dues from employees' Regular Benefits under the SUB Plan.

ARTICLE 5 - REPRESENTATION

5.1 Number of Representatives

Employees of the Company for which the Union is the exclusive bargaining agent shall be represented by: one (1) Committeeperson for production

employees who shall be assigned to the first shift, one (1) Committeeperson for the Skill Trades, a steward for the second (2nd) shift production employees, in the event of third shift production operations a steward will be assigned for third (3rd) shift production employees, and a unit Chairperson who shall be assigned to the first shift, all whom shall be seniority employees.

5.2 Union Representatives Duties

The duties of the stewards shall be to process first and second step grievances on their respective shift. Chairman and Committeeperson(s) responsibilities shall be the investigation and handling of grievances and other duties outlined in this Agreement on the first shift, or as set forth in the grievance procedure. The Company agrees to pay the aforementioned for all time spent performing these duties on the plant premises including contract negotiations.

5.3 Performance of Duties

The Chairperson shall furnish the Company with the names of the Committeepersons and the Stewards. Any changes shall be reported to the Company as far in advance of the effective date as possible. The right of Union Representatives to leave their work, following proper notification, during working hours without loss of pay is permitted, with the understanding that such time will be devoted to the prompt handling of disputes or grievances, and the time will not be abused. They shall first notify their Supervisor and shall report to their Supervisor upon their return. Union Representatives shall also perform their normal production duties when not engaged in duties relating to grievances or disputes.

5.4 Seniority of Representatives

5.5 Bulletin Boards

The Company will supply the Union with up to three (3) enclosed bulletin boards for its use in the plant. Only official Union notices shall be posted.

5.6 Union Office

The Company shall provide the Union with an enclosed office within the plant for the Committeepersons, including a telephone for local calls, desks, chairs, filing cabinet, printer, fax, and a computer with Internet access.

5.7 Access

International Representatives shall be granted access to the plant with advance notice to Local Management for the purpose of conducting Union business.

ARTICLE 6 - GRIEVANCE AND ARBITRATION PROCEDURE

6.1 Definition

Grievances, within the meaning of the Grievance Procedure, shall consist of disputes concerning the interpretation or application or the alleged breach of the provisions of this Agreement. This Grievance Procedure shall apply to seniority employees. No bargaining unit employee or employees shall discontinue work or in any manner disrupt the normal operations of the Company while a grievance is being processed through this procedure. The Union agrees that it will discourage its members from bypassing the Grievance Procedure and arbitration procedure with respect to any claim or complaint which may be made the subject of a grievance under this grievance language.

Any grievance appealed or not answered within the specified time limits, will be automatically referred to the next step of the Grievance Procedure unless

the time limit has been mutually extended in writing by the Company and the Union.

A grievance may be withdrawn without prejudice by the Union or the bargaining unit employee at any point in the Grievance Procedure. If a grievance is withdrawn or settled without prejudice, it will not serve as a precedent in any other case by either party.

The Union shall be notified in writing of any action or violation of Company rules which result in a bargaining unit employee being assessed time off from the Company. Such notice will be given to the Union prior to the employee leaving the premises (if applicable) or if not applicable prior to notice being sent to the employee's home. The notice of discipline shall include the date, time, and the employee's name and the specific rules violation which precipitated the discipline. Management will issue all discipline within five (5) working days of the occurrence. This period may only be extended by mutual agreement. For purposes of this section "working days" means Monday through Friday.

Grievances regarding discharges must be filed within three (3) working days from the date of discharge or when the bargaining unit employee should have known of the discharge. All grievances involving suspensions and discharges will begin at Step 3.

6.2 Step 1

The bargaining unit employee having a grievance may take the grievance up with his Supervisor or may ask the Supervisor to send for their Union Representative. The alleged violation must be communicated to the Supervisor within three (3) working days of the occurrence or when the grievant by reasonable diligence should have known of the occurrence. Upon request, the Supervisor will send for the Union Representative. The bargaining unit employee with or without the assistance of the Union Representative shall discuss the problem with the Supervisor and attempt to verbally resolve the

problem. Problems settled at this level will be settled without precedent to either party.

If not resolved at this step, the bargaining unit employee(s) may request that the Union Representative put his complaint in writing on the proper grievance form. This must be done within three (3) working days after receiving the Supervisor's verbal response.

6.3 Step 2

In the event the dispute or grievance is not resolved at Step 1, the Union Representative may present the grievance in writing to the Supervisor. The Supervisor shall give his answer to the grievance, in writing, within three (3) working days to the Union Representative who presented it, unless the time limit is extended by mutual agreement.

6.4 Step 3

In the event the dispute or grievance is not resolved at Step 2, the grievance may be appealed within five (5) working days after the day upon which the answer in Step 2 is received by the Union Representative to the Superintendent or his designated representative.

A meeting will be held between the Superintendent or their designee(s), and the Unit Chairman and the Union Representative involved. The parties shall make a sincere and determined effort to resolve the dispute. The Superintendent or designee shall give his answer to the grievance, in writing, within five (5) working days to the Union Representative unless the time limit is extended by mutual agreement.

6.5 Step 4

In the event that a satisfactory adjustment is not made pursuant to Step 3 of the Grievance Procedure and further appeal is desired, the grievance may be

appealed within five (5) working days by the Unit Chairman, to the Operations Manager and Human Resources Manager or their designated representative.

A meeting will be held between the Operations Manager and Human Resources Manager or their designated representative and the Unit Chairman. An International Representative of the Union may attend the meeting. The meeting referred to in this Step shall be held monthly or as required at a mutually agreeable time and place. Meetings may be held more frequently if the number of grievances warrants such meeting.

The Company will give its response within five (5) working days after the date of the Step 4 meeting to the Union Chairman.

6.6 Arbitration

In the event a grievance is not resolved at Step 4, the Union may request that the grievance be submitted to arbitration. Notice of intent to appeal a grievance to arbitration shall be filed with the Company by the Union within thirty (30) days after the Company's answer at Step 4 of the Grievance Procedure.

Failure to file the notice of intent within the time frame will result in the matter being withdrawn and being considered fully and finally resolved, unless mutually agreed to extend the time frame.

The Company and the Union agree to use the Federal Mediation and Conciliation Service (FMCS) for arbitration. The arbitrator shall be selected by the Company and the Regional Director or his designee jointly, from a list of seven (7) arbitrators' names. If the parties cannot agree on an arbitrator, then the parties will again request the FMCS to supply a new list of arbitrators and the parties will draw lots to select the arbitrator. If the parties still cannot agree on an arbitrator, then the parties will draw lots to select the arbitrator.

Maumee, Ohio 43537.

If possible, the arbitrator shall render his decision within thirty (30) calendar days after the close of the proceedings. The award shall be signed by the arbitrator, and copies of the award shall be delivered or mailed to each of the parties simultaneously.

The arbitrator's decision will be final and binding upon all parties.

The arbitrator will have no power to add to, subtract from, or modify any of the terms of this Agreement or to make any decision inconsistent with the provisions thereof.

The fees and expenses of the impartial arbitrator shall be borne equally by the parties. The cost of representatives or any additional service required by either party shall be borne by the party requiring these additional services or representatives.

6.7 Computation of Back Wages

Any claim against the Company shall not be valid for a period prior to the date the written grievance was first filed, except that back wages may be recovered if appropriate for a period of not more than ten (10) days prior to the date the written grievance was first filed. The claim for back wages shall not exceed the amount of wages the employee would otherwise have earned at the employee's regular rate less: (i) any unemployment or workers' compensation the employee received, or was entitled to; (ii) any SUB pay the employee received; and/or (iii) any compensation for personal services received or earned during the period covered by the grievance that the employee would not have earned if the employee had been working.

ARTICLE 7 – DISCHARGE AND DISCIPLINE

7.1 Notice of Suspension, Disciplinary Layoff or Discharge

- (a) The plant management agrees promptly upon the suspension, disciplinary layoff or discharge of an employee to notify in writing the employee and the Union Representative on the shift of the suspension, disciplinary layoff or discharge, and the reason therefore. Such notice will not be provided after thirty (30) minutes prior to the end of the shift except for violations requiring immediate discipline, discharge or suspension. The notice will advise the employee that he has the right to request Union representation.
- (b) If such an employee is absent from the plant at the time the action is taken, or where it was not practicable to provide written notice prior to his leaving the plant, management will send to the employee's last known address notice of his suspension, disciplinary layoff or discharge and notice that he has the right to request Union representation.

7.2 Union Representation

Except where good sense dictates that the involved employee immediately leave or be removed from the plant, if an employee with seniority rights who is to receive discipline requests Union Representation, it shall be provided, unless none is available within the plant. Absent a situation described above where immediate departure from the plant is warranted, (a) such employee may ask to discuss his suspension, disciplinary layoff or discharge with the Union Representative and management will designate a meeting room where he may do so before he is required to leave the plant, and (b) upon request, the employee's supervisor or other designated representative of management will discuss the suspension, disciplinary layoff or discharge with the employee and the Union Representative.

ARTICLE 8 - NO STRIKE OR LOCKOUT

8.1 No Strike or Lockout

The Union and its members, individually and collectively, agree that during the term of this Agreement and any extension thereof, there shall be no slowdown, sit down, strikes or any curtailment or interference with the manufacturing operation of the Company. The Company agrees not to engage in any lockout during the term of this Agreement and any extension thereof.

ARTICLE 9 – SENIORITY

9.1 Evaluation Period

- (a) An employee may acquire seniority after successfully completing an initial evaluation (probation) period of ninety (90) calendar days within six month period, starting with the most recent date of hire. Any workday in which the employee is absent or, if regularly assigned to work, doesn't work this doesn't count towards the 90 day evaluation period. After completion of the initial evaluation period, seniority shall date back to the last date of hire.
- (b) The retention of an employee during the evaluation period shall be at the Company's discretion, and termination of such employee shall not be subject to the Grievance Procedure.
- (c) There shall be no seniority among supplemental employees.

9.2 Change of Address

Employees shall notify the Company in writing of any change of address. The Company shall be entitled to rely on the last address shown on its records.

9.3 Employee Defined

For the purpose of the remaining Sections in this Article, the word "employee" means an employee who has acquired seniority.

9.4 Seniority Defined

Seniority is based on date of hire. Employees in the skilled trade classification shall have seniority based on their date of entry in such classification.

9.5 Seniority Lists

(a) The seniority lists shall be compiled by the Company and confirmed with the Union not more than thirty (30) days after ratification of this Agreement. The seniority lists shall thereupon be final and binding and be posted. Management will make a reasonable effort to maintain a current seniority list. The seniority lists will be final unless an employee or the Union submits written objection within fifteen (15) calendar days after reposting. The employee or Union may submit objection only to changes or additions in the seniority list since the previous posting. The Company and Union will meet in an effort to resolve any such objection about seniority list standing. Thereafter the seniority lists shall be final and binding.

(b) In a case where two or more Employees have a common hire date the Employees' last four (4) digits of their social security number shall be the determining factor, with the Employee with the lowest number having the highest seniority placement on the seniority list. In the event the last four (4) digits are the same then the fifth, sixth, etc. shall determine the lowest number.

9.6 Loss of Seniority

Seniority will be broken and lost, and employment shall cease for the following reasons:

- (a) Discharged for just cause and the discharge is not reversed through the Grievance Procedure;
- (b) Quit;
- (c) Failure to report to work (no show no call) for three (3) consecutive work days (including from the scheduled return date from a temporary layoff) unless there are unusual conditions or circumstances acceptable to Company in its discretion;
- (d) Failure to report to work at the end of an approved leave of absence unless there are unusual conditions or circumstances acceptable to Company in its discretion;
- (e) Failure to return to work within five (5) consecutive work days after notice of recall following an indefinite layoff unless there are unusual conditions or circumstances acceptable to Company in its discretion;
- (f) Accepting employment while on leave of absence, unless prior written approval has been granted by the Company; or using a leave of absence for other than the purpose requested.
- (g) Receives permanent total disability benefits under a group insurance policy. If the employee ceases to receive such benefits due to recovery from disability and is thereafter re-employed by the Company in its discretion, his seniority, including that which he otherwise would have acquired during the period of his disability, shall be restored;
- (h) If he is laid off during the term of this Agreement for a continuous period equal to the seniority, but not less than one (1) year he had acquired at the time of such layoff period, or for three (3) years whichever is less; or
- (i) Retirement.

9.7 Seniority of Employees Promoted to Salary

If an employee represented by the Union is promoted to a position not represented by the Union and is thereafter transferred back to a position as an employee represented by the Union, he shall accumulate seniority for the first three (3) months, only, while working in the position not represented by the Union. If the employee transfers back to the bargaining unit within three (3) months he shall retain his original seniority, but after three months he shall lose his seniority in the bargaining unit. There shall be a one time opportunity to return to the bargaining unit as indicated in this section for employees who transfer to a salaried position.

9.8 Shift Preference

- (a)** Seniority employees shall be given their shift preference by classification (production, electrician, mechanical) according to their seniority. Employees shall make their shift preference known in writing to their supervisor with a copy to their Union Representative.
- (b)** Jobs vacated by shift preference shall be bid by classification on the shift involved. Subsequent openings shall be bid until the opening is determined by a lack of a bid.
- (c)** Employees who exercise shift preference must remain on the shift for six (6) months.
- (d)** When the Company deems it necessary to reassign employees from one shift to another, the assignment will be by seniority volunteers, if not enough employees volunteer, then assignment shall be by low seniority within the classification.
- (e)** Any deviation to this procedure shall be by mutual agreement of both parties.

ARTICLE 10 – TEAMS

10.1 Team Concept

All members of a Team share responsibility for the work performed by the Team and for participation in the Magna Steyr Production Systems (MSPS). Employees may also be required to participate in material handling, inspection, production campaigns, clean up of quality spills, clerical activities, and general housekeeping.

10.2 Team Leader

Whenever the Company establishes a team (a group of employees in the same classification performing related work in the same geographic area), they shall have a Team Leader. The Team leader shall facilitate the overall functioning of the team and its team members. The Team leader is required to fill in as a team member when the team needs extra help due to a start-up, changeover, absence, team member training or other issues. Team leaders shall not discipline or recommend discipline, hire or promote Team members. Team leaders may be scheduled by management one-half (1/2) hour prior to and one-half (1/2) hour after shift scheduled hours to accommodate Team Leader duties. Team Leaders shall be paid an additional fifty cents (\$0.50) per hour for time worked as Team Leaders.

The Company and the Union agree a Team Leader will be selected based on the following criteria:

- (a) Team Leaders and their alternate will be elected by the appropriate team members, subject to the concurrence of a Committeeperson and Operations Manager. Team Leaders shall be seniority employees.
- (b) Team Leader selection criteria will include seniority; demonstrated ability to perform all operations within the team; demonstrated willingness to adjust to new work introduced to the team, demonstrated ability to promote team

duties and responsibilities; demonstrated willingness to participate in training; demonstrated ability to facilitate team environment.

(c) Either the Company or the Union may request a meeting to discuss the performance and continuation of a Team Leader.

(d) Team Leaders shall remain in place a minimum of six (6) months before a displacement election takes place. At the expiration of this tenure, a potential replacement may seek a team vote to replace the current Team Leader. A Team leader displaced through election shall exercise their seniority through the bid process.

(e) If there are no candidates for a Team Leader opening, the Company shall select the Team Leader at its discretion after consultation with the Union.

Team Leader duties:

1. Canvass and record equalization of overtime.
2. Facilitate team direction and fulfillment of team duties.
3. Facilitate communication within the team.
4. Report team attendance.
5. Facilitate equitable work assignments.
6. Alert management of potential safety hazards.
7. Updating the Team Leader boards.
8. Due to absenteeism may be re-assign.
9. Complete daily reporting as it relates to production requirements.
10. Assist team members with training and proper performance standards of work operations.
11. Communicate with supervision in addressing production problems and quality issues.
12. Assist in the development of standard operating procedures within the team to insure proper completion of team tasks/work assignment.

ARTICLE 11 - LAYOFF AND RECALL

11.1 Layoff Definitions

The term "layoff" when used in this Agreement means a reduction in the working force and includes the following definitions:

(a) Indefinite Layoff

An indefinite layoff means a reduction in the working force for an unknown or indefinite duration for any reason not set forth in Subsections (b) and (c) below.

(b) Temporary Adjustment

A temporary adjustment means a reduction in the working force usually for a limited duration and are caused, for example, by parts or material shortages, temporary inventory or scheduling adjustments, machinery or equipment failures, temporary tooling or production difficulties, critical line shortage or disruption, labor disputes, emergencies, or acts of God.

(c) Model Change or Inventory Layoff.

A model change or inventory layoff means a reduction in the working force for either or both of these reasons, the duration of which may or may not be known.

11.2 Notice of Layoff

The plant will give to employees and to the Union Representative twenty-four (24) hours notice of layoff as hereinbefore defined except:

(a) in the case of a temporary adjustment when the circumstances causing the

reduction in force make it impracticable for Management to give such notice; or

(b) when employees are displaced pursuant to the Indefinite Layoff Procedure, by employees returning to work from leaves of absence; or

(c) when employees are displaced by skilled trades employees returning to production.

11.3 Layoff Procedure – Indefinite Layoffs

When there is an indefinite layoff, employees shall be laid off or displace other employees in the following manner subject to the employee's ability to perform the available work:

(For the purpose of this Article, each of the following is considered a separate Classification: Production and Maintenance. Maintenance is comprised of two separate classifications: Electrical and Mechanical.)

(a) Supplemental employees will be laid off.

(b) Employees will be laid off in each classification, least senior first. Employees on operations requiring special skills may be retained out of line of seniority provided no other employee with seniority which has performed and can perform the operation is available in the classification. Such special skill employees may be replaced provided the employee with seniority can perform the operation in one day's time with no additional expense to the Company.

(c) Employees recalled from an indefinite layoff shall be recalled according to their seniority subject to the employee's ability to perform the available work.

(d) Nothing in this Section shall enable skilled trade employees to displace production operators or vice versa; however, a skilled trades employee who

prior to entering the skilled trades had established seniority in a non-skilled group shall be permitted to exercise that seniority at the time of lay off from the skilled trades. Further, within the skilled trades, layoff shall be by classification and seniority, i.e., mechanical shall not displace electrical or vice versa.

11.4 Layoff Procedure – Temporary Adjustments

Temporary adjustments of the working force may be made without regard to seniority for a period of ten (10) working days. If the period of the reduction exceeds ten (10) working days, Management will adjust the working force in accordance with the provisions of the Article –Layoff Procedure – Indefinite Layoffs, within five (5) working days unless the parties mutually agree to extend such period.

11.5 Layoff Procedure –Model Change or Inventory

When reductions of the working force due to model change or inventory occur, employees on jobs which do not have to be performed during the shutdown period will be laid off as their jobs are completed prior to the model change or inventory and recalled as their jobs start up after the model change or inventory.

11.6 Inverse Seniority

(a) Upon request of the Union, representatives from the Company and the Union may enter into an agreement applying the concept of inverse seniority where:

- (1) the layoff is for a definite time and limited duration and;
- (2) all employees with less than one year's seniority have been laid off.
- (3) The Union agrees that any such agreement shall not impair plant operating efficiencies. Consistent with this requirement, it is further agreed that employees shall be laid off and recalled under the terms of this inverse seniority layoff procedure by classification. It is expressly understood that the Company

and the Union shall not enter into arrangements which permit employees on inverse seniority layoff to return to work to be replaced on layoff by other employees during the period of limited layoff. Nor will an employee who is laid off pursuant to an inverse seniority arrangement be permitted to return to work as result of exhaustion of, or disqualification from, State Unemployment Compensation Benefits or Company provided Supplemental Unemployment Benefits. Nothing in the foregoing shall preclude the Company from recalling any employee prior to the expiration of the limited layoff period.

ARTICLE 12 – JOB POSTING

12.1 Job Posting

All job openings in classifications will be posted on the bulletin board for forty-eight (48) hours. The Job Posting Notice will include the following details as applicable:

- Date posted and deadline for application
- Classification
- Number of openings
- Shift/hours of work
- Where to submit job posting application

Any seniority employee may apply for any posted job by completing a "Job Posting Application" form. After forty-eight (48) hours, the posting will be removed from the bulletin board and the job will be awarded within ten (10) working days unless otherwise agreed to by the Company and the Union.

All jobs will be awarded on the basis of plant-wide seniority, unless otherwise specified in this Article.

Successful bidders shall receive appropriate training on the new job. Any applicant that is successfully placed in a posted position will not be eligible

to apply for a new position for a period of six (6) months from the time they assume the new position, unless otherwise mutually agreed to by the Company and the Union.

In event an employee is unsuccessful in the job within a reasonable period of time, the Company will then refer to the original applications and award the job to the next senior applicant who is capable of performing the available work.

Further if a work assignment is eliminated is subsequently reinstated within 90 calendar days; the employee affected by the earlier reduction will be given the first option to return to the former work assignment.

In the event that a job is eliminated and two jobs are combined, the most senior employee would have the rights to that job first.

12.2 Maintenance Positions

New hire or transfers into the skilled classifications shall be limited to Journeymen. Documentation of journeyman status of new hire and transfers will be reviewed with the Union.

ARTICLE 13 - LEAVE OF ABSENCE

13.1 Personal Leaves

Seniority Employees, who wish a leave of absence without pay, must submit their request in writing, on the Company's Leave of Absence Request Form. Personal leaves of absence will not exceed thirty (30) calendar days. Except in cases of emergency, requests will be considered on a first-come, first-served basis. The Company reserves the right to grant or decline leaves of absence. The Company will take into consideration plant operating requirements and any other consideration it deems relevant when determining whether leaves

will be granted.

Every reasonable effort will be made to place an Employee who returns to work from a Personal Leave of Absence on the job they would have had if they had not gone on personal leave. In the event this cannot be accomplished, such a Employee will be returned to the classification they were in prior to such leave and placed first; on an open job in the classification and second; if there is no open job he will displace the least senior Employee in that classification.

13.2 Military Leave

A military leave of absence will be granted to employees who are absent from work because of service in the U.S. uniformed services in accordance with the Uniformed Services Employment and Reemployment Rights Act (“USERRA”). Advance notice of military service is required, unless military necessity prevents such notice or notice is otherwise impracticable. Military leave is unpaid except as provided herein.

An employee with seniority who is called to and attends an annual training encampment or is called to and performs active duty because of a local or national emergency as a member of the United States Armed Forces Reserve or National Guard shall be paid an amount equal to the employee's straight-time hourly rate, including applicable shift premium but exclusive of overtime and any other premiums, on the last day worked multiplied by eight (8) or the number of hours less than eight (8) that the employee otherwise would have been scheduled to work, less his daily military earnings (including all allowances except rations, subsistence and travel).

Payment shall be made for days (excluding Saturdays and Sundays).

Except for short-term active duty of thirty (30) days or less performed by employees called to active service in the National Guard by state or federal authorities in case of public emergency, the Company obligation to pay an employee for performance of military duty under this Section shall be limited to a maximum of fifteen (15) scheduled working days in any calendar year. In order to receive payment under this Section the following conditions shall be met:

- (i) the period of short-term military or National Guard duty shall not exceed thirty (30) calendar days;
- (ii) the employee shall be called to military or National Guard duty and shall furnish the Company with a copy of his military orders in advance of his military duty; and
- (iii) upon his return to work the employee shall furnish the Company with a statement of his military pay while on such duty.

13.3 Jury Duty Leave

Any seniority Employee who is called to and reports for jury duty will be granted a leave of absence for any days on which they are required to serve. Written notice from the court authorities must be presented when requesting such leave.

The Company will reimburse seniority employees for reasons of being summoned and reporting for, interviewing for, or serving on jury duty. Payment shall be in an amount equal to the difference between what the employee would have earned (eight (8) hours straight time maximum per day) and the amount received by reason of the jury service. To qualify for reimbursement, the employee must provide the Company with a signed statement from the court showing the date(s) the employee was required to report, the length of time the employee was in attendance and the amount the employee was paid.

13.4 Bereavement Leave

Employees who wish to take time off due to the death of an immediate family member should notify their supervisor immediately. A maximum of three (3) days of paid bereavement leave (five (5) days, in the case of death of an employee's current spouse, parent, child or stepchild) excluding Saturdays, Sundays, and holidays, will be provided to seniority full-time employees. Bereavement pay is calculated based on the straight-time hourly rate at the time of absence, including shift differential but excluding overtime premium, for eight (8) hour days of work.

For purposes of bereavement leave, "immediate family" means the employee's current spouse, parent, stepparent, grandparent or great grandparent, parent, stepparent, grandparent or great grandparent of current spouse, child or stepchild, grandchild, brother, sister, stepbrother, step-sister, half-brother or half-sister. The Company reserves the right to require verification of the need for any requested leave.

The employee is responsible to advise his supervisor if you wish time off due to a death in your immediate family.

13.5 Union Leaves

(a) Union Business Leave: Upon one week notice (except in exigent circumstances) and pre-approved by the Company, employees designated by the Union may obtain leave without pay to transact Union Business away from the Company premises for grievance/arbitration meetings, conventions, conferences, schools, and other legitimate Union Business.

(b) Union Office Leave: An employee who is elected or appointed to a full-time position at Local 12 or with the UAW International Union will be granted leave without pay or benefits, upon advance written request by the Union for the term of such position. Union leave may be renewed with the consent of the parties every three years.

13.6 Educational Leave

A leave of absence without pay or benefits for a period not to exceed one (1) year without loss of seniority will be granted to employee with at least one (1) year of seniority in order to attend a recognized college, university or trade or technical school full-time. A request for a leave of absence to attend primary or high school will be regarded as being within the intent of this subsection and the schooling will be regarded as being related to the employee's employment opportunities with the Company. Before receiving the leave, or an extension thereof, the employee shall submit to the Company satisfactory evidence that the college, university or school has accepted him as a student and, on the expiration of each semester or other school term, shall submit proof of attendance during such term. Such leaves may be extended for additional periods not to exceed one (1) year each. Leaves of absence under this subsection will be subject to the Company's discretion considering factors such as requirements of the plant and staffing concerns.

13.7 Family and Medical Leave

(a) The Company provides for approved leave for employees who have completed at least 12 months of service and worked 1,250 hours or more during the preceding 12 months and are eligible to take leave under the federal Family and Medical Leave Act (FMLA). Eligible employees may take up to 12 weeks of unpaid leave in a rolling 12 month period measured backward from the date an employee uses an FMLA leave for reasons indicated in the Family Medical Leave Act (FMLA). See the Human Resources Department for details.

(b) A leave of absence for medical disability, when a FMLA leave is exhausted, will be granted for a reasonable period not to exceed one (1) year if supported by medical evidence satisfactory to the Company. Such leave may be extended for like cause by the Company. An employee must have seniority to be eligible for leave under this Subsection (b). Leave under this Subsection (b) shall be reduced by, or run concurrently with, leave under Subsection (a) above. Leaves

under this Section shall be without pay and without loss of seniority.

13.8 Leaves Denied

Upon request by the Chairperson, leaves that are not approved by the Company will be reviewed with the Human Resources Manager or his designated representative.

ARTICLE 14 – WORKING HOURS

14.1 Call-in and Call-back Pay

An employee reporting for work on management's instructions but for whom no work at his regular job is available will be offered at least four (4) hours employment at some other work at his regular hourly rate. If no work is available he will be paid four (4) hours pay. This provision shall not apply when the lack of work is due to a labor dispute, critical line shortage or disruption, power shortages, fire, tornado, flood or other cause beyond the control of the management.

14.2 Shift Premium and Hours

(a) Employees regularly employed on a second or third shift shall receive, in addition to their regular pay for the pay period, five (5) percent and ten (10) percent, respectively, additional compensation.

(b) The first shift is any shift that regularly starts on or after 4:00 a.m. but before 11:00 a.m. The second shift is any shift that regularly starts on or after 11:00 a.m. but before 7:00 p.m. The third shift is any shift that regularly starts on or after 7:00 p.m. but before 4:00 a.m. The hours of work for all employees shall be establish by Management. The Union acknowledged that business considerations often require a change of shift starting times.

(c) The Company reserves the right to change shift duration or the number of shifts or to establish flexible operating patterns (if adopted by Chrysler Toledo South) at any time to meet the needs of the business. In particular, in its discretion the Company may implement work schedules that compliment those of its customer, the Chrysler Toledo South final trim assembly. If flexible operating patterns are adopted, the Company and Union will discuss any necessary adjustment.

14.3 Time and One-Half

Time and one-half shall be paid as follows:

- (a) Employees shall be paid time and one-half for time worked in excess of eight (8) hours in any continuous twenty-four period, beginning with the start of his shift.
- (b) For time worked on Saturday, except when a shift starts on Friday and continues into Saturday; provided, that hours in excess of eight (8) per day or forty (40) per week on such shift will be paid at time and one-half.

14.4 Double Time

Double time will be paid as follows,

- (a) For time worked on the calendar Sunday,
- (b) For time worked on the calendar holidays designated in this Agreement.

14.5 Overtime Pyramiding Prohibited

The allowance of overtime or premium pay (other than shift premium) for any hour or part of an hour excludes that hour from consideration for overtime or premium pay on any other basis, thus eliminating any pyramiding of overtime or premium payments.

14.6 Lunch Period and Breaks

For every full eight (8) hours worked, there shall be a fifteen (15) minute paid break before lunch, a thirty (30) minute unpaid lunch (excluding employees on a scheduled straight eight (8) hour shift), a five (5) minute wash-up period at the end of the shift and fifteen (15) minute paid break after lunch. The lunch period and breaks will be scheduled to reasonably divide the work day. For daily overtime work employees shall be given a break during overtime determined on a prorate basis, i.e., 4:00 minutes per hour of expected overtime.

14.7 Workweek Defined

The regularly scheduled workweek starts at 12:01 a.m., Monday, and ends 168 hours thereafter, except for those employees on third shift operations starting Sunday night in which case their regularly scheduled workweek starts with the beginning of their shift Sunday night and ends 168 hours thereafter.

14.8 Overtime

- (a)** Management may establish overtime except as limited by this Section.
- (b)** Daily Work: Daily overtime will be first offered to the employee on the job. The Company will not normally require more than ten (10) hours of production to meet the needs of the Chrysler Toledo South final assembly; however, the Company shall have the right to mandate production up to eleven (11) hours to meet customer needs.
- (c)** Saturday Work: The Company will schedule Saturday work to coincide

volunteers will be sought first and if additional manpower is required employees will be assigned by inverse seniority.

(e) An employee may decline to work the foregoing voluntary work by notifying his supervisor within two (2) hours before the end of the shift in which the employee received notice of that week's scheduled voluntary work.

(f) The restrictions on the Company's ability to schedule work under Subsections (b), (c) and (d) shall be ineffective during periods (not to exceed four (4) weeks) of model build out or launch, model change or in the event of disruption to operations due to emergency situations such as labor dispute, power shortages, fire, tornado, flood or other cause beyond the control of management for a period of time necessary to overcome the emergency.

(g) The Company shall make reasonable efforts to notify employees of daily overtime at least two (2) hours prior to the end of their scheduled shift and on Thursday for weekend overtime unless circumstances are beyond the Company's control.

14.9 Overtime Equalization

Overtime will be equalized as far as practicable within classification by shift, taking into consideration efficiency of operations, ability to do the work required and the amount and type of work required. When it is required to combine different types of work during overtime operations, the work will be assigned, as far as practicable, to the classification that would typically perform the majority of the required work during regular daily operations.

(a) Production equalization groups will be defined as employee by classification by shift. Skilled trades shall be by separate equalization groups by classification and shift.

(b) Team Leaders will not be charged overtime hours for the early starts and late outs associated with their Team Leader duties. Team Leaders may be

assigned to start ups, changeovers, and launches without regard to their standing on the overtime equalization list.

(c) All overtime hours will be charged. When overtime would be available to an employee who is absent for any reason other than attendance at Company sponsored training or who has turned down the opportunity to work the overtime, the employee will be charged.

(d) Overtime will be charged at the following rate:

- (i) Each hour at time and $\frac{1}{2}$ will be charged at the rate of 1.5 hours.
- (ii) Each hour at double time will be charged at the rate of 2.0 hours.

(e) Overtime lists will be updated weekly by the Team Leaders and posted. Overtime will be offered to the low employee on the list within the assigned equalization group provided that the employee is qualified to perform the work.

(f) The accumulated overtime hours of employees will be adjusted by a process mutually agreed to by the Union and the Company.

(g) In the event an employee refuses overtime when offered he shall be charged with the overtime he would have earned had he worked. If the employee offered the overtime accepts such overtime and does not report or fails to complete the entire amount offered, he will be charged double the number of hours offered he would have worked.

(h) When an employee transfers from shift to shift or from one equalization group to another, he shall be charged with the hours charged to the employee in the group with the highest hours plus one (1) hour.

New employees shall be charged with the number of hours in overtime of the employee having the greatest number of hours in the equalization group to which assigned on the date they attain seniority plus one (1) hour.

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ARTICLE 15 - HOLIDAYS

15.1 Designated Holidays

The Company will mirror designated holidays from its customer, the Chrysler Toledo South final trim assembly.

15.2 Holiday Eligibility Rules

Employees will be paid for eight (8) hours at their regular straight-time hourly rate inclusive of shift differential but excluding overtime premium for the designated holidays provided they meet all of the following eligibility rules unless otherwise provided herein:

- (a) the employee has seniority as of the date of the holiday,
- (b) the employee would otherwise have been scheduled to work on such day if it had not been observed as a holiday, and
- (c) the employee must have worked the last scheduled working day prior to and the next scheduled working day after such holiday within the scheduled workweek. Pre-approved Paid Absence Allowance/vacation may be counted as time worked for this Section or is absent for other good cause acceptable to management. In the case of holidays which fall in the holiday period starting December 24 through the following January 1, the employee must have worked the last scheduled working day prior to, and the next scheduled working day after, such holiday period, regardless of the workweek in which the scheduled working days fall.
- (d) Absent an emergency, employees will not be called into work on the following days, which are not paid holidays under this Agreement, unless Chrysler Toledo South final trim assembly is scheduled to work:

Saturday, December 23, 2006
 Sunday, December 24, 2006
 Saturday, December 30, 2006
 Sunday, December 31, 2006.

Employees shall not be disqualified for holiday pay, if otherwise eligible for such pay, if they decline a work assignment on one or more of the above days.

The foregoing provisions of this subsection (d) shall not apply to employees assigned to: (1) third shift Sunday night start operations; and (2) a shift which starts on Friday and continues into Saturday.

ARTICLE 16 - BENEFITS

16.1 Vacation and Paid Absence Allowance

(a) On May 1 of each year the Company will determine the eligibility for vacation time off with pay and provide a paid absence allowance to eligible hourly employees who have worked for at least 26 weeks in the vacation eligibility year (the year including the pay period in which April 30 occurs and the preceding 51 weeks) as follows:

Seniority on May 1 of the Vacation <u>Eligibility Year</u>	Vacation Allowance with <u>Pay</u>	Paid Absence Allowance
1 but less than 3 years	40 hours	40 hours
3 but less than 5 years	60 hours	40 hours
5 but less than 10 years	80 hours	40 hours
10 but less than 15 years	100 hours	40 hours
15 but less than 20 years	120 hours	40 hours
20 or more years	160 hours	40 hours

The number of hours of the paid vacation time and paid absence allowance to which an eligible employee shall be entitled shall be based on the employee's seniority on May 1 of the vacation eligibility year and the number of weeks worked during the eligibility year.

(b) A seniority employee with less than (1) year of seniority on May 1 of the vacation eligibility year who has worked for at least 26 weeks in the vacation eligibility year will be eligible for forty (40) hours of paid vacation time off.

(c) An employee is only eligible for Paid Absence Allowance after reaching 1 year of seniority.

(d) An employee with at least one (1) year of seniority who has worked at least 13 weeks but less than 26 weeks of the vacation eligibility year shall be entitled to paid vacation and paid absence allowance time off as follows:

Weeks Worked in the Vacation Eligibility Year	Percentage of Vacation/Paid Absence Allowance
26	100%
25	96%
24	92%
23	88%
22	84%
21	80%
20	76%
19	73%
18	69%
17	65%
16	61%
15	57%
14	53%
13	50%

(i) Time for vacation shall be computed at the employee's straight-time

hourly rate in effect in the pay period during which the vacation is taken exclusive of overtime premium but including shift premium and any cost-of-living allowance then in effect

(ii) Payments from an employee's Paid Absence Allowance because of absence shall be computed at the employee's straight-time hourly rate in effect in the pay period during which the Paid Absence Allowance is taken exclusive of overtime premium but including shift premium and the amount of any cost-of-living allowance then in effect.

(e) An employee may use the hours credited to his vacation in units no less than full week periods, unless the employee has vacation hours in other than full weeks, in which event the employee may use any non-full week in eight (8) hour periods (one full day) and if less than eight (8) hours remain, such entire lesser amount.

(f) An employee may use the hours credited to his Paid Absence Allowance in units of no less than four (4) hour increments for: excused absence because of illness when not receiving Sickness and Accident Insurance/short term disability or absence that his supervisor has excused because of personal business.

(g) Employees must take annual allotted vacation pay or allotted Paid Absence Allowance when requesting time off. Any unused vacation or Paid Absence Allowance pay not used in the allotted period will be paid in lieu of paid time off in the third pay period of the following May.

(h) In the event of separation from employment after May 1 of each year

(i) An employee will be considered eligible for vacation and paid absence allowance in accordance with this Section only if he is on the active hourly payroll on May 1 of the vacation eligibility year or if the employee is not on such active employee payroll due to sickness, injury, layoff or leave of absence, or is reinstated to such payroll as a result of the Grievance Procedure. Employees must qualify for vacation and paid absence allowance as per Section 16.1 (d).

(j) Effective January 1, 2008, employees who are on the active employment rolls with at least one (1) year of seniority as of January 1 of the then current year shall receive for their birthday for that year, one (1) PAA day. The employee may take his birthday as a Paid Absence Allowance day subject to the PAA guidelines.

16.2 Life Insurance and Accidental Death and Dismemberment Insurance

The Company shall pay the cost for providing each full-time seniority employee with group term life insurance coverage and accidental death and dismemberment insurance coverage each in the amount of one (1) times the employee's annual pay calculated at the employee's straight-time hourly rate for regular hours including shift differential and excluding overtime, holiday pay, COLA and bonuses. Full-time seniority employees become eligible for such benefit on the first day of the month following six (6) months of active employment. A summary plan description is available from the Human Resources Department.

16.3 Short Term and Long Term Disability Benefits

The Company shall pay the cost for providing short-term and long-term disability benefit coverage for full-time seniority employees. These employees become eligible for such coverage on the first day of the month following six (6) months of active employment. Details are contained in the summary plan descriptions available from the Human Resources Department. Highlights

of the plans are:

(a) The short-term disability coverage provides a weekly benefit when an employee is disabled from working as a result of a non-Worker's Compensation disability. The benefit is payable commencing with the first (1st) day lost from work as the result of an accidental injury or hospitalization and commencing with the eighth (8th) day lost from work as a result of sickness. The benefit is payable for up to twenty-six (26) weeks. The weekly benefit is based on the employee's straight-time hourly rate with the same benefit amounts as provided in the 2003 Chrysler sickness and accident benefit plan, e.g., base hourly rate of "\$26.20 but less than \$26.55" equals a weekly STD benefit of \$635, and so on.

(1) Sickness and Accident and Extended Disability Benefits

<u>Base Hourly Rate (1)</u>	<u>Weekly sickness & Accident Benefit Amount</u>	<u>Monthly Extended Benefit Schedule I</u>	<u>Disability Amount (2) Schedule II</u>
Less than 15.35	365	1,315	1,445
15.35 but less than 15.70	375	1,345	1,480
15.70 but less than 16.05	380	1,375	1,515
16.05 but less than 16.40	390	1,405	1,545
16.40 but less than 16.75	400	1,435	1,580
16.75 but less than 17.10	405	1,465	1,615
17.10 but less than 17.45	415	1,500	1,645
17.45 but less than 17.80	425	1,525	1,680
17.80 but less than 18.15	430	1,560	1,715
18.15 but less than 18.50	440	1,590	1,745
18.50 but less than 18.85	450	1,620	1,780
18.85 but less than 19.20	455	1,650	1,815
19.20 but less than 19.55	465	1,680	1,845
19.55 but less than 19.90	475	1,710	1,880
19.90 but less than 20.25	480	1,740	1,915
20.25 but less than 20.60	490	1,770	1,945
20.60 but less than 20.95	500	1,800	1,980
20.95 but less than 21.30	505	1,830	2,015
21.30 but less than 21.65	515	1,860	2,045
21.65 but less than 22.00	525	1,890	2,080

22.00 but less than 22.35	530	1,920	2,115
22.35 but less than 22.70	540	1,950	2,145
22.70 but less than 23.05	550	2,015	2,215
23.05 but less than 23.40	555	2,045	2,245
23.40 but less than 23.75	565	2,045	2,245
23.75 but less than 24.10	575	2,075	2,280
24.10 but less than 24.45	585	2,105	2,315
24.45 but less than 24.80	590	2,135	2,350
24.80 but less than 25.15	600	2,165	2,380
25.15 but less than 25.50	610	2,195	2,415
25.50 but less than 25.85	615	2,225	2,450
25.85 but less than 26.20	625	2,255	2,485
26.20 but less than 26.55	635	2,290	2,515
26.55 but less than 26.90	640	2,290	2,515
26.90 but less than 27.25	650	2,350	2,585
27.25 but less than 27.60	660	2,380	2,615
27.60 but less than 27.95	665	2,410	2,650
27.95 but less than 28.30	675	2,440	2,685
28.30 but less than 28.65	685	2,470	2,715
28.65 but less than 29.00	690	2,500	2,750
29.00 but less than 29.35	700	2,530	2,780
29.35 but less than 29.70	710	2,560	2,815
29.70 but less than 30.05	715	2,590	2,850
30.05 but less than 30.40	725	2,620	2,880
30.40 but less than 30.75	735	2,650	2,915
30.75 but less than 31.10	740	2,680	2,950
31.10 but less than 31.45	750	2,710	2,980
31.45 but less than 31.80	760	2,740	3,015
31.80 but less than 32.15	765	2,770	3,050
32.15 but less than 32.50	775	2,800	3,080
32.50 and over	785	2,830	3,115

(b) The long-term disability coverage provides a monthly benefit when an employee is disabled from working for more than One Hundred Eighty (180) days as a result of a non-Worker's Compensation disability. The monthly benefit is sixty percent (60%) of the employee's monthly pay at straight time regular hours plus shift differential and excluding overtime, holiday pay, COLA and bonuses up to a maximum of Seven Thousand Dollars (\$7,000.00).

16.4 Health Insurance

Full-time seniority employees are eligible for health insurance provided by the Company, including prescription coverage, vision, medical and dental, subject to applicable employee co-pays and deductibles, on the first day of the month following completion of six (6) months of active employment. For the plan year, such insurance shall be the current Magna Toledo Paint Facility medical plan. Details of the plan are set forth in a summary plan description available from the Human Resources Department. Each year thereafter during this Agreement the Company shall provide a health insurance plan similar to the health insurance plan provided to bargaining unit employees at the Chrysler Toledo South final trim assembly plant. For 2007 the Company has arranged for health insurance through Blue Cross and Blue Shield. Notwithstanding the above, Chrysler retirees and their eligible dependents, who are contract holders for retiree medical coverage from Chrysler, are not eligible for health insurance from the Company.

16.5 401(k) Plan

The Company shall establish a retirement savings plan. Seniority employees shall be entitled to contribute a portion of their earnings on a pre-tax basis up to the limit allowed by law. A seniority employee will be eligible for a contribution by the Company to the plan for the employee's benefit after having completed his evaluation (probation) period. The Company will contribute \$2.25/hr for compensated straight time hours, which include vacation, holiday, bereavement, PAA and Jury duty. Monday-Friday up to a maximum of 40 hours per week; from the effective date of the 401k Plan and forward the foregoing Company contribution shall be made on hours worked, straight or overtime, up to a maximum of 40 hours per week. The Company will contribute up to a maximum of 2,080 hours per year. There shall be no vesting requirement on the contribution. The Company will establish a 401k plan effective sixty (60) days from ratification.

16.6 SUB Plan

The Company provides a supplemental unemployment benefit plan which is attached as Exhibit A.

16.7 Christmas Bonus

The Company shall pay a Christmas bonus to eligible seniority employees during the pay period following the work week in which December 1st falls.

An eligible employee is defined as one who:

- (a) has seniority on the eligibility date of the Monday preceding Thanksgiving; and
- (b) worked at least thirteen (13) weeks in the fifty-two (52) weeks immediately preceding the pay period in which the eligibility date occurs (i.e., the Christmas Bonus eligibility year); and
- (c) is an active employee on the date the Christmas bonus is paid. Otherwise eligible employees who die or who are not active employees on the Christmas Bonus pay date due to sickness, injury, layoff or leave of absence, or who are reinstated to active employee status as a result of the Grievance Procedure shall be paid the Christmas Bonus.

The amount of the Christmas Bonus provided to an employee shall be determined according to the following schedule:

Bonus Schedule

Weeks Worked During Eligibility Year	Christmas Bonus Amount
26 or more	\$600
20 – 25	\$450
13 – 19	\$300

16.8 2007 Pass Through

The fringe benefits in this Article 16, call in/call back pay in Section 14.1, shift premium in Section 14.2, lunch period/breaks in Section 14.6 and wages in Article 17 shall be adjusted to pass through, on an aggregate equivalency basis, changes in the comparable fringe benefits, pay/hours provisions and wages from the 2007 and subsequent labor agreements at the Chrysler Toledo South final trim assembly plant which become effective during the term of such agreement(s). This approach is intended to be consistent with the approach in this Agreement, which reflects a pass through, on an aggregate equivalency basis, of the comparable fringe benefits, pay/hours provisions and wages from the 2003 labor agreement effective at the Chrysler Toledo South final trim assembly plant.

16.9 Insurance Carriers/Administrators

To better manage the costs of insurances and plans, the Company shall have the right (a) to provide such benefit plans through insurance or self-insured (b) determine administrators. Prior to entering into a contract with a different administrator or carrier, the Company will meet the Union to discuss the proposed change of carrier/administrator.

16.10 Educational Assistance

The Company will provide educational assistance to regular full-time hourly employees with one (1) year of seniority. To maintain eligibility such employees must remain on the active payroll through completion of each course. Approval for reimbursement must be requested prior to when the course begins.

position. Employees should contact the Human Resources Department for more information or questions about educational assistance.

After satisfactorily completing a course (with a grade of "B" or better), the Company will reimburse the employee 50% of the cost of tuition and books. The remaining 50% will be reimbursed after the employee has been actively employed for one (1) year following the satisfactory completion of the course. Approval for reimbursement will be at the Company's sole discretion. A maximum of two (2) classes per semester will be approved. A lifetime maximum of \$8,000 per employee is payable under this policy. Certain courses may be subject to taxation.

ARTICLE 17 - WAGES

17.1 Wage Rate

(a) Employees shall be paid according to their positions as assigned by the Company. "Skilled trade" shall consist of mechanical and electrical. All other positions shall be considered "production operator." Wage rates to be paid are as follows:

Position	Current Wage Rate
Production Operator	\$ 28.23 Changed Rate
Skilled Trade	\$ 32.91 Changed Rate

(b) Upon the effective date of the 2007 pass through agreement for the Chrysler Toledo South final trim assembly labor agreement, and thereafter when base wage rates increase (or decrease) under any regular schedule in such labor agreement, the wage rates in Subsection (a) above, as increased (if at all) by Subsection (b) above, shall be adjusted to reflect the same percentage increase (or decrease) as those to the comparable base classifications wage rates in such labor agreement.

17.2 Cost-of-Living Allowance

All employees covered by this Agreement shall be subject to the following cost-of-living allowance formula determining the cost-of-living allowance added to an employee's wage rate as determined below:

- (a)** The cost-of-living allowance will be determined in accordance with changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers (current series, CPI-W) (United States City Average, All Items Less Medical Care, not seasonally adjusted) published by the Bureau of Labor Statistics (1982-84=100).
- (b)** During this Agreement adjustments in the cost-of-living allowance shall be made on a quarterly basis based on the following Consumer Price Indexes:

Effective at Beginning of First Pay Period Commencing on or After:	Based on Three-Month Average Consumer Price Index for:
Sept. 1, 2006 and at 3 calendar month intervals thereafter	May, June, July, 2006 and at 3 calendar month intervals thereafter

In determining the three-month average of the Indexes for a specified period, the computed average shall be rounded to the nearest 0.01 index point.

In no event will a decline in the three-month average Consumer Price Index

Three-Month Consumer Price Index CPI-W (1982-84 = 100)	Average Cost-of-Living Allowance
174.12 or Less	None
174.13 – 174.20	\$.01 per hour
174.21 – 174.28	\$.02 per hour
174.29 – 174.36	\$.03 per hour
174.37 – 174.44	\$.04 per hour
174.45 – 174.53	\$.05 per hour
174.54 – 174.61	\$.06 per hour
174.62 – 174.69	\$.07 per hour
174.70 – 174.77	\$.08 per hour
174.78 – 174.85	\$.09 per hour

And so forth with one cent (1¢) adjustment for each 0.08159 point change in the Average Index as calculated.

(c) (ii) For each quarterly adjustment in which an increase in the cost-of-living allowance shall be required according to the above table, the amount of increase so required each quarter shall be reduced by two cents (\$.02) or by the amount of the increase, whichever is less as per the Toledo Assembly Plant Daimler Chrysler Agreement effective 12/29/03. However, there shall be no reduction as provided herein in any quarter in which the cost-of-living allowance required by the table is equal to or less than the amount of the cost of living allowance provided by the table in the preceding quarter.

(d) The amount of any cost-of-living allowance in effect at the time shall be included in computing overtime premium, shift premium, holiday payments, call-in pay, vacation payments, paid absence allowance payments, Jury Duty Pay and Bereavement Pay.

(e) In the event that the Bureau of Labor Statistics does not issue the appropriate Consumer Price Index on or before the beginning of one of the pay periods referred to in Subsection (b), any adjustment in the allowance

required by such appropriate index shall be effective at the beginning of the first pay period after receipt of the Index.

- (f) No adjustments, retroactive or otherwise, shall be made due to any revision that may later be made in the published figures for the Consumer Price Index for any month on the basis of which the allowance has been determined.
- (g) The continuance of the cost-of-living allowance shall be contingent upon the availability of the monthly Consumer Price Index referred to in Subsection (a) published by the Bureau of Labor Statistics, and calculated on the same basis as the Index for September, 2006, unless otherwise agreed upon by the parties.
- (h) Pay adjustments made in a cost-of-living allowance period applicable to any previous cost-of- living allowance period will include the allowance applicable during the period to which the adjustments relate.
- (i) Notwithstanding anything above to the contrary, upon the effective date of the 2007 pass through agreement for Chrysler Toledo South final trim assembly labor agreement, the cost-of-living allowance calculation shall be made in accordance with the COLA provisions of such labor agreement.

17.3 Rates Unchanged During Agreement

During the term of this Agreement, the base hourly rate for each classification covered by this Agreement will be changed only in accordance with the provisions of Section 17.1 above.

<u>Hours Worked</u>	<u>Percentage of Full Base Rate</u>
0	70%
1040	75%
2080	80%
3120	85%
4160	90%
5200	95%
6240	100%

(b) Effective Date of Increase

Each increase shall be effective at the beginning of the first pay period following the completion of the required number of weeks worked.

ARTICLE 18 - HEALTH AND SAFETY

18.1 General

(a) The Company agrees to provide a place of employment which shall be safe for the employees therein, and shall adopt and use methods and processes adequate to render the place of employment safe. The Union shall cooperate with the Company's efforts to carry out its obligations. The Company and the Union hereby agree that the health and safety of employees is a matter of mutual concern.

(b) The parties are committed to the prevention of occupational illnesses and injuries. The Company will comply with applicable health, safety and environmental laws and regulations.

(c) Each Employee is responsible to work safely and follow Toledo Paint Safety policies.

18.2 Safety Committee

There shall be a joint Safety Committee consisting of two members appointed by the Company and two members appointed by the Union. The Safety Committee will be co-chaired by one such member of the Company and one such member of the Union. The members shall serve for three (3) year terms and shall receive training arranged by Company. The Safety Committee shall have the following responsibilities:

- (a) meet at least on a monthly basis to consider safety issues;
- (b) conduct monthly safety tours of the plant and issue written reports to the Operations Manager as a result thereof;
- (c) make recommendations on the training of employees on safety issues;
- (d) assist, in an advisory capacity, in the management of health and safety programs and the promotion of safety awareness; and
- (e) assist in the investigation of accidents.
- (f) The Company will maintain accident reports and these shall be made available upon request to the Safety Committee. Copies of the OSHA Summary of Occupational Injuries and Illnesses, copies of government inspection and citations related to health and safety will be made available upon request to the Safety Committee.
- (g) The Union members of the Safety Committee may request and will be granted reasonable time off their jobs without loss of pay to perform their duties as safety representatives following proper notification to their supervisor. The Union commits that this privilege shall not be abused.
- (h) The Union may seek the advice of safety and industrial hygienists from the International Union, UAW, and such advisors may come into the plant and

conduct health and safety studies and surveys or investigate accidents upon reasonable notice to the Company.

18.3 Personal Protective Equipment and Safety Glasses

(a) The Company agrees to provide the required personal protective equipment, devices and clothing at no cost to employees.

(b) The Company will provide prescription safety glasses to seniority employees working on a job or in an area where eye protection is a Company requirement provided the employee furnishes a prescription from their own doctor or optometrist. The Company will replace such glasses if damaged by a cause attributable to the employee's employment or if the employee presents a new and different prescription from their doctor or optometrist. The Company will establish the standards and specifications for the frames and lenses and will select the supplier source.

ARTICLE 19 – SUPPLEMENTAL EMPLOYEES

19.1 Supplemental Employee Program

The parties agree that from time to time there will be a need to supplement the workforce due to planned absences such as vacations, PAA, leaves of absences, jury duty, and bereavements, to provide for temporary workforce increases during product launches, and other related circumstances. To address these needs, the Company will institute a Supplemental Employment Program. Under the program terms:

(a) Supplemental Employees may be scheduled for any part or all scheduled hours for the Team in which they are assigned, including days for which regular full-time employees receive premium pay. There are no minimum days or hours to which Supplemental Employees are entitled. The Company may call Supplemental Employees to work as needed.

(b) Supplemental Employees will not be utilized when there are laid off seniority employees. The Company shall utilize Supplemental Employees only as provided in this Article and not for the purpose of subverting the employment of regular, full-time employees.

(c) Supplemental Employees shall have preferential hiring for regular full-time employment, if qualified for the position, determined by a first-in method. If the Supplemental Employee accepts an offer of full-time employment he shall be considered a new employee except that he shall be given credit for time worked as a Supplemental Employee towards (i) completion of his 90-day evaluation period and (ii) satisfaction of any benefit waiting period. His seniority date shall be the date he became a full-time regular employee once any remaining evaluation period is satisfied. Should a Supplemental Employee decline an offer of regular employment he shall so indicate in writing and be placed at the bottom of the preferential hire list.

(d) Supplemental Employees will be paid an hourly rate equal to seventy percent (70%) of the full base rate of the Production Operator classification and shall receive wage progression as set forth in Section 17.4, COLA and shift premium. Supplemental Employees shall not otherwise be subject to the provisions of Article 17.

(e) Supplemental Employees shall be paid time and one-half for time worked in excess of eight hours (8) hours in any continuous twenty-four hour period beginning with the starting time of his shift and for time worked in excess of forty (40) hours per week. A Supplemental Employee shall be paid for hours worked on Saturday and Sunday in accordance with the provisions of the

of employment Supplemental Employees shall be entitled to one (1) week of unpaid vacation. After twelve (12) months of employment Supplemental Employees shall be entitled to an additional week of unpaid vacation.

(g) When a reduction in the number of Supplemental Employees becomes necessary, employees at the bottom of the preferential hiring list shall be the first laid off.

(h) Retention of a Supplemental Employee during his first ninety (90) work days shall be at the Company's discretion and not subject to the Grievance Procedure. Thereafter the Company may terminate the employment of a Supplemental Employee for just cause. Except for the foregoing, Supplemental Employees shall be entitled to utilize the Grievance Procedure.

(i) Supplemental Employees shall be subject to the provisions of Article 14 of the Agreement. The Union will determine the required initiation fee and monthly dues.

(j) Notwithstanding subsection (f), after thirty (30) days of employment Supplemental Employees shall be entitled to purchase, at their cost, major medical health insurance only excluding prescription, vision and dental. To obtain and remain eligible for such insurance a Supplemental Employee must work a minimum of twenty (20) hours per week.

(k) The Company shall provide required safety equipment to Supplemental Employees.

ARTICLE 20 – OUTSOURCING AND OUTSIDE CONTRACTING

20.1 Outsourcing

In the event the Company contemplates outsourcing work currently done in the

plant, the Company shall notify the Union and if requested hold a meaningful discussion as to the factors involved in the decision to outsource, and provide the Union with relevant information. Management will evaluate and give appropriate weight to the Union's input prior to any final determination.

20.2 Outside Contracting

(a) It is the policy of the Company to utilize its skilled trades classifications in the performance of maintenance and construction work. The Company will notify the Union prior to awarding of maintenance and construction work in order to afford the Union an opportunity to discuss the matter. The Company will provide the Union with available information regarding the time, nature, scope, costs, and the work that is to be performed. If the union believes that work can be performed in house, the Company shall give appropriate weight to the union's comments.

(b) In the event of service/warranty work of production equipment, skilled trades men of the appropriate classification will be schedule to work with the contractor.

ARTICLE 21 – DRUG AND ALCOHOL POLICY

21.1 Prohibition Against Drug and Alcohol Use

It is Toledo Paint Facility policy to provide a drug and alcohol-free workplace for the following reasons:

1. To establish and maintain a safe and healthy working environment for all employees.
2. To reduce the number of accidental injuries to persons or property.
3. To reduce absenteeism and tardiness and improve productivity.

4. To enhance the reputation of Toledo Paint Facility and its employees consistent with national efforts to prevent the abuse of alcohol and use of illegal drugs.

To promote this goal, employees are required to report to work in appropriate mental and physical condition in order to perform their jobs in a satisfactory manner. Violation of the following rules are, therefore, agreed to be subject to discipline for cause up to and including discharge:

1. Possession or drinking of an alcoholic beverage on the worksite, including the parking lot, driveway and Company vehicles, at any time, including breaks or lunch.
2. Reporting for work while impaired by or under the influence of alcohol.
3. Possession, use, distribution, sale or offering for sale of narcotics or any controlled or illegal substance, including marijuana, on the worksite, including the parking lot, driveway and Company vehicles, at any time, including breaks or lunch.
4. Reporting for work or working while impaired by or under the influence of narcotics or any controlled or illegal substance, including marijuana, narcotics or substances governed by this rule relate to those set forth in Section 802 (6) of Title 21 of the United States Code. The list of drugs notwithstanding, testing will be conducted only for those drugs for which the Department of Health and Human Services guidelines has established initial and confirmation levels.
5. No prescription medication shall be brought onto Company premises by any employee other than the one for whom it is prescribed. Such drugs may only be used in the manner, combination and quantity prescribed and so long as the proper use of such prescription drug does not impair the employee's ability to perform his duties. An employee so impaired will not be permitted to remain at work, but will not be disciplined.

21.2 Test Levels

(a) An employee shall be deemed impaired or under the influence of alcohol when initial and confirmatory Breathalyzer test conducted by a qualified breath alcohol technician indicate a blood alcohol concentration of .06 or above, unless different concentrations are required by state or federal regulations. Testing for alcohol must be performed on an evidential breath-testing device that is listed on the Department of Transportation's conforming products list.

(b) An employee shall be deemed impaired by or under the influence of narcotics or any controlled or illegal substance where a urine test indicates at least the following levels of the following substances:

		Initial Test Levels	Confirmation Test Levels
1	Marijuana metabolite	50 ng/ml	15 ng/ml*
2	Cocaine metabolite	300 ng/ml	150 ng/ml**
3	Opiate metabolites a) Morphine, codeine b) 6-Acetylmorphine	2,000 ng/ml***	300 ng/ml 10 ng/ml***
4	Phencyclidine (PCP) (and/or metabolites)	25 ng/ml	25 ng/ml
5	Amphetamine and/or Methamphetamine	1,000 ng/ml	500 ng/ml****

* Delta 9-tetrahydocannabinol-9carboxlyic acid.

** Benzolyecgonine

*** Test for 6-AM when morphine concentration exceeds 2,000 ng/ml.

**** Specimen testing positive for methamphetamine must also contain amphetamine at a concentration greater or equal to 200 ng/ml.

(c) In the event of a change in the Drug and Alcohol Testing Procedure by

the U.S. Department of Transportation, the detection of levels set forth in Paragraphs (a) and (b) above shall be deemed modified to those set forth in any amended DOT rules.

21.3 Circumstances for Testing

The Employer may require an employee to undergo immediate drug/alcohol testing as a condition of continued employment in its discretion under the following circumstances:

1. If the Employee is involved in a work-related accident or an injury, including any motor vehicle accident (forklifts, cranes, motorized carts and motorized sweepers);
2. If the Employer has reasonable suspicion that the Employee is intoxicated, or under the influence of drugs based upon the Employee's behavior. Reasonable suspicion is defined as those circumstances, based on objective evidence about the employee's conduct in the workplace, which would cause a reasonable person to believe that the employee is demonstrating signs of impairment due to alcohol or drugs; or
3. As part of pre-employment hiring procedures. An Employee's refusal to undergo drug/alcohol testing when based upon the above circumstances shall be cause for immediate dismissal. Any attempts by an Employee to tamper with or interfere with the accuracy of a drug/alcohol test administered pursuant to the terms of this Article shall be cause for immediate dismissal.

Notice will be given to the Union (if applicable) prior to the employee leaving the premises for drug/alcohol testing.

21.4 Testing Procedure

- (a) Drug testing shall be conducted by a multiple step urine test which

involves an immunoassay screening method approved by the Food and Drug Administration and a confirmation by use of Gas Chromatography and Mass Spectroscopy (GC/MS).

(b) Only laboratories certified by the National Institute of Drug Abuse (NIDA) will be used for drug testing.

(c) The administration of an alcohol test shall be in accordance with the test equipment manufacturer's instruction and the procedures.

(d) Collection and shipment of all urine samples will follow strict chain of custody procedures.

(e) All urine samples confirmed positive for drugs will be retained by the testing laboratory for such periods and in such manner prescribed by Department of Transportation regulations and NIDA standards. Testing will be done using the split sample method of collection.

(f) The identities of employees who have tested positive and records of testing shall be limited to those persons having a need to know.

(g) All individuals who test positive shall be so notified by the Company and given an opportunity to provide the Company any reasons he/she may have which would explain the positive alcohol or drug test. If the individual provides the Medical Review Officer a reasonable explanation substantiated by medical evidence that the positive alcohol or drug test is due to factors other than the presence of alcohol or drugs in the test specimen, the Medical Review Officer may choose to disregard the positive test result and all records of the test results shall be removed from the employee's medical file. The Medical Review Officer analyzing the test results shall meet the criteria established in Department of Transportation regulations.

21.5 Drug Retesting

Alcohol and drug testing of employees shall be conducted in a manner designed to promote the dignity of employees and protect the integrity of the testing process. Sample collection and testing shall be conducted at a medical clinic or other health care facility which is certified by the Department of Health and Human Services and/or the National Institute on Drug Abuse for such purpose ("Certified Clinic") and designated by the Company. The Certified Clinic shall be required to maintain strict compliance with approved chain of custody procedures, quality control, sample maintenance and scientific analytical methodologies. The initial drug test of an employee must be an immunoassay test which, if "positive," must be confirmed using a gas chromatography/mass spectrometry test ("GS/MS"). The cut-off limits established under 49 CFR § 40.87, as such regulation may be amended from time to time, shall be used to determine whether drug test results are "positive" for the presence of Illegal Drugs. An employee's failure to sign the consent form for the testing or to fully cooperate with the testing process shall be considered a refusal to submit to testing. Upon request the results of the alcohol and drug testing shall be made available to the employee and, upon the employee's written authorization, the Union.

21.6 First Time Violation; Referral for Assessment

An employee who tests positive on a first time basis under Subsection 21.3(1) or (2) shall be given a 30 day layoff without pay and shall be referred to an EAP for assessment and continued employment shall be conditioned on the employee's compliance with a treatment and after care program. For one (1) year after return to work, such employee will be subject to random drug testing. Management will meet with the Unit Chairperson to discuss and review those instances where an employee tests positive on a second occasion.

21.7 Management/Union Training

The Company shall provide joint training to its supervisors and Union

Representatives on the application of this Policy at least once in the term of this agreement covering such topics as the Employee Assistance Program (EAP) as it relates to substance abuse in the workplace, the Drug and Alcohol Policy, and other relevant material.

21.8 Employee Assistance

The Employee Assistance Program (EAP) is available to provide employees on a confidential basis, with resource material to obtain assessment from a qualified professional.

ARTICLE 22 – MISCELLANEOUS

Section 1: Blood Donations

The Company will continue its current practice of Red Cross Blood donations. The Company and the Union will explore various employee wellness initiatives for the plant.

Section 2: Union Contracts

The Company will provide the union with sufficient number of printed labor agreements using a union printer at no cost to the union.

Section 3: Pay Shortages

Pay 1. (2) 1. Pay check shortages shall be paid by special check

Section 5: Damaged Tools

The Company shall replace broken or damaged tools on the job with tools of equal quality. Replacement is subject to the maintenance employee submitting broken tool(s) to management for verification.

Section 6: Employee Physicals

Employees may schedule annual physical examinations on Company time without loss of wages up to four (4) hours. The employee is required to give the Company one (1) week advanced notice and proof of completion of physical.

Section 7: Manning Assignments

When the Company establishes work standards it shall be based on the reasonable capacities of normal experienced employees working at a normal pace to produce quality work with due consideration to fatigue.

Any new or changed work standard will be reviewed with the Union 24 hours in advance prior to any change being implemented. Disputes will be evaluated by use of industry time study practices and can be witnessed and reviewed by the Union.

Section 8: Contractor Property/Tools

The Company agrees to discuss with the Union future issues related to contractor property left in the plant upon completion of their job.

Section 9: Upgrader Program

The Company will continue its current practice regarding the upgrader program.

Section 10: Apprentice Program

The parties agreed to review future manpower requirements in the skilled trades classifications on an annual basis. Should needs dictate, Management and the Union will explore instituting an Apprentice Program.

ARTICLE 23 – CONCLUSION

23.1 Withdrawal of Demands and Separability of Provisions

(a) Withdrawal of Demands

Prior to and during the negotiation of this Agreement, each party made certain proposals to the other. Each party hereto agrees that it has withdrawn all proposals made to the other that are not incorporated in or covered by this Agreement, in whole or in part. The withdrawal of those proposals, in whole or in part, is as much a consideration for this Agreement as is the incorporation therein of matters agreed on. Each party hereto hereby waives any right to require the other to bargain on the subject matter of those proposals, or on any similar proposals or on any other matter that might have been included in or covered by this Agreement, but was not. It is the intention of the parties that this Agreement during its term shall cover all arrangements between the parties concerning wages, hours, and conditions of employment that are to be in effect during the term and that nothing shall be added to the Agreement or subtracted from it by amendment, supplemental agreement or otherwise.

(b) Separability of Provisions

or probably makes, any of the provisions of this Agreement invalid or unenforceable, the parties may agree on a replacement for the affected provision(s). Such replacement provision(s) shall become effective immediately upon agreement, and remain in effect for the duration of the Agreement, without the need for further ratification by the Union membership.

23.2 Termination and Modification

This Agreement shall continue in full force and effect until 11:59 P.M., November 14, 2011.

(a) If either party desires to modify, amend or terminate this Agreement, it shall, sixty (60) days prior to November 14, 2011, give written notice of its intention. Notice to modify or amend shall set forth the nature of the changes desired. Any amendments that may be agreed upon shall become and be a part of this Agreement without modifying or changing any of the other terms of this Agreement. The giving by either party of such a notice to modify, amend or terminate shall terminate this Agreement at 11:59 P.M., November 14, 2011.

(b) If neither party gives a notice to modify, amend or terminate as provided in Subsection (a), or if each party giving a notice to modify, amend or terminate withdraws such notice prior to 11:59 P.M., November 14, 2011, this Agreement shall continue in effect from year to year thereafter subject to sixty (60) days' written notice by either party to modify, amend or terminate this Agreement as provided herein prior to November 14 of any subsequent year.

23.3 Notice

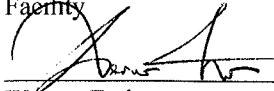
Notice shall be in writing and shall be sufficient if sent by mail addressed, if to the Union, to the United Automobile, Aerospace and Agricultural Implement Workers of America, Region 2B, 1691 Woodlands Drive, Maumee, Ohio 43537, or to such other address as the Union shall furnish to the Company in writing, and if to the Company, addressed to Magna Steyr LLC, Toledo Paint

Facility, 3800 Stickney Ave., Toledo, Ohio 43608, Attention, General Manager or Operations Manager, or to such other address as the Company shall furnish to the Union in writing.

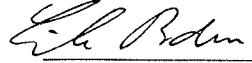
SIGNATURES

Signed by the parties through their authorized representatives below as of January 19, 2008.

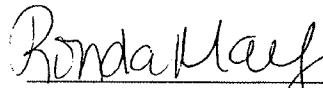
Magna Steyr LLC, Toledo Paint Facility



Werner Ender
General Manager

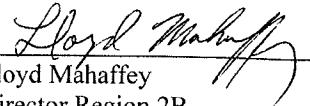


Erik Brodin
Operations Manager

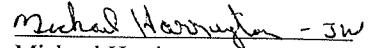
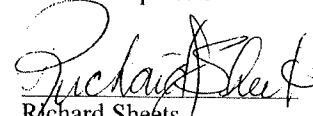


Ronda May
Human Resources Manager

International Union, United
Automobile and Agricultural
Implement Workers of America,
UAW, and Local No. 12



Lloyd Mahaffey
Director Region 2B


Michael Harrington - JW
Michael Harrington
UAW International Representative
Mike Beakas
Chairperson
Hector Flores Sr.
Committeeperson
Richard Sheets
Committeeperson

Bruce Baumhower
President Local 12

EXHIBIT A

Agreement Regarding Supplemental Unemployment Benefit Plan

**[Incorporated by reference into the Labor Agreement between
Magna Steyr LLC, Toledo Paint Facility and the UAW.]**

1. Duration of Plan

The Company shall maintain the Supplemental Unemployment Benefit Plan for the duration of the Labor Agreement, except as provided in this Agreement and the Plan.

2. Governmental Rulings

- a.** The Plan shall be subject to subsequent receipt by the Company of rulings satisfactory to the Company, if such rulings are deemed necessary by the Company, (i) from the United States Internal Revenue Service and the United States Department of Labor holding that (1) the Benefits (except Automatic Short Week Benefits) paid by the Company pursuant to the Plan are not treated as "wages" for purposes of the Federal Unemployment Tax, the Federal Insurance Contributions Act Tax, or Collection of Income Tax at Source on Wages under Subtitle C of the Internal Revenue Code (except as Benefits paid under the Plan are treated as if they were "wages" solely for purposes of federal income tax withholding); and (2) no part of any such payments made by the Company under the Plan are included for purposes of the Fair Labor Standards Act in the regular rate of any employee and (ii) from

the effective date of the remainder of the Plan.

b. In the event that any ruling described in subsection a. above as to the provisions of the Plan regarding Automatic Short Week Benefits is not obtained, or having been obtained shall be revoked or modified so as to be no longer satisfactory to the Company; or in the event that either the State of Ohio or State of Michigan, by legislation, administrative ruling or a court decision, in the opinion of the Company: (i) does not permit supplementation only because of the provisions of the Plan regarding Automatic Short Week Benefits; or (ii) in determining the benefits for a week, fails to treat as wages or remuneration, as defined in the state's law, the amount of any Automatic Short Week Benefit paid for a week which has one or more days in common with such state system week; or (iii) permits an employee to start a waiting week or a benefit week within a week for which his compensated or available hours, plus the hours for which an Automatic Short Week Benefit was paid to him, total at least 40; then:

1) The Plan shall be amended to delete such provisions of the Plan which are the subject of such ruling, legislation or court decision;

2) Automatic Short Week Benefits which would have been payable in accordance with such deleted provisions of the Plan shall be provided under a separate plan incorporating as close as possible the same terms as the deleted provisions;

3) Automatic Short Week Benefits which may become payable under such separate plan shall be paid by the Company.

c. The Company shall apply promptly to the appropriate agencies for the rulings described in subsection a. of this section.

d. Notwithstanding any other provision of this Agreement or of the Plan, the Company, with the consent of the Union, may, during the term of the Agreement, make revisions in the Plan not inconsistent with the purpose and

basic provisions thereof which shall be necessary to obtain and maintain any of the rulings referred to in subsection a. of the Agreement.

Supplemental Unemployment Benefit Plan

Magna Steyr LLC, Toledo Paint Facility (the "Company") will implement a supplemental unemployment benefit plan (the "Plan") as set forth below:

I. Eligibility for Regular Benefits

A. Regular full-time hourly employees within the bargaining unit ("you") are eligible for weekly regular benefits if you:

1. have at least one year of seniority as of your last day worked prior to layoff; and
2. are on a layoff from the Company other than a layoff under subsection B.2. below.

B. You are not eligible for regular benefits if:

1. you are eligible for an automatic short week benefit;
2. you are laid off:
 - for disciplinary reasons;
 - because of a strike, slowdown, work stoppage, picketing or concerted action involving union employees at the Company, at DaimlerChrysler Corporation or within the Toledo Supplier Park;
 - through your own fault; or
 - through war, sabotage, insurrection or, after the first two weeks of layoff, any act of God; or
3. You are eligible for or receiving worker's compensation benefits or benefits through the short term or long term disability plans provided by

the Company.

II. Amount of Regular Benefits

Your regular benefits are calculated according to this formula:

95% of your weekly (straight time 40 hours plus shift premium and COLA)
after-tax pay

less

\$30.00

less

any state unemployment benefit or earnings from
another employer in excess of the greater of
\$10 or 20% of such earnings

If your state unemployment benefits are exhausted (or at the time such
unemployment benefits would be exhausted if you had qualified), the maximum
regular benefit is \$195.00 per week.

III. Eligibility for Automatic Short Week Benefits

A. You are eligible for automatic short week benefits if:

1. you have at least one year of seniority;

2. you have less than 40 compensated or available hours for the week;

and

- you performed some work for the Company;

- you received some jury duty pay, bereavement pay, or
military duty pay from the Company; or

- you received only holiday pay from the Company and
you received either an automatic short week benefit or had 40 or more hours
compensated or available in the previous week;

3. you are on a layoff from the Company for some part of the week (other than a layoff under section I.B.2. above); or

4. you did not work because of severe weather conditions and the Company in its discretion determines that absent employees are eligible for benefits.

“Compensated or available hours” for a week include all hours:

1. you receive pay from the Company;

2. scheduled for or made available to you by the Company but which you do not work (including a leave of absence); and

3. you do not work because you are laid off for a reason in section I.B.2. above.

B. You are not eligible for automatic short week benefits if section I.B.3. is applicable.

IV. Amount of Automatic Short Week Benefits

Your automatic short week benefits are calculated as follows:

80% of your straight-time pay (plus shift premium and COLA)
multiplied by
each hour less than 40 not paid or made
available to you during the week

V. Payment of Benefits; Company’s Maximum Financial Liability

The Company shall pay the benefits under this Plan from the Company’s general funds. However, benefits shall cease once the aggregate amount of benefits paid during the term of the Labor Agreement between the Company and the Union

(to which this Plan is an Exhibit) reaches the Maximum Financial Liability. The Maximum Financial Liability is a cumulative amount equal to twenty-five cents (\$.25) for every regular straight time hour worked by regular full-time hourly employees, limit of 2080 hours per year per employee, during the term of the Labor Agreement. If at any point in time the aggregate amount of paid benefits reaches the Maximum Financial Liability as calculated based on the Company's foregoing contribution for the regular straight time hours worked to that point (and reduced by the costs in section VII.E.), the Company shall cease the payment of benefits. The payment of benefits shall re-commence prospectively in the pay period following the accumulation of the Company contribution on such regular hours worked so as to permit resumption of the payment of benefits (or, if such Company contribution is insufficient to fund the resumption of full benefits, proportionately reduced benefits). This process shall be repeated during the term of the Labor Agreement whenever the Maximum Financial Liability, as calculated to that point, is reached. The Company shall have no obligation to pay for benefits missed as a result of the Maximum Financial Liability being reached.

VI. Duration, Amendment and Termination of the Plan

A. This Plan shall start on the effective date of the Labor Agreement.

B. So long as the Labor Agreement shall remain in effect, the Plan shall not be amended, suspended or terminated, except as may be permitted under the terms of the Labor Agreement. Consistent therewith, the Plan shall be adjusted to pass through, on an aggregate economic equivalency basis, changes in comparable Plan provisions made in the SUB plan in effect at the Chrysler Toledo South final trim assembly plant as a result of the 2007 and subsequent labor agreements at such plant. Upon termination of the Labor Agreement, the Company shall have the right to terminate the Plan without any further obligation. Upon any termination of the Plan, the Plan shall terminate in all respects.

VII. Miscellaneous

- A. The purpose of the Plan with respect to regular benefits is to supplement unemployment benefits received from a state agency and not replace or duplicate them.
- B. Federal, state and municipal income tax and other withholdings required by law may be withheld from any benefits you receive under the Plan. The payment of regular benefits shall not be considered the payment of wages for any purpose (except solely for income tax withholding).
- C. Any overpayments you receive because benefits should not have been paid or because the benefit was greater than it should have been, can be recovered by Company from future benefit payments or your regular paychecks not to exceed \$100.00 per pay period.
- D. Supplemental Employees of the Company are not eligible for benefits under this Plan.
- E. The Company may set off against the Maximum Financial Liability for the cost to the Company of any bank or auditing fees related to the Plan.
- F. The provisions of these Articles I through VII constitute the entire Plan.
- G. As used in this Plan, "week" has the same meaning as "workweek" as defined in Article 14 of the Labor Agreement.
- H. Benefits under this Plan are not subject to assignment, alienation or encumbrance other than an authorization for dues check-off for the Union or, to the extent required by law, child support withholding orders.
- I. Upon request the Company shall provide the Union with statements showing benefit payments and the calculation and balance of the Maximum Financial Liability.

LETTERS OF UNDERSTANDING
Reinstated Grievances

Date: January 19, 2008

The parties acknowledge the desirability of ensuring prompt, fair and final resolution of employee grievances. The parties also recognize that the maintenance of a stable, effective and dependable grievance solving procedure is necessary to implement the foregoing principle to which they both subscribe. Accordingly, the parties view any attempt to reinstate a grievance properly disposed of as contrary to the purpose for which the Grievance Procedure has been established and violation of the fundamental principles of collective bargaining.

However, in those instances where the International Union, UAW, by either its Executive Board, Public Review Board, or Constitutional Convention Appeals Committee, as the result of an appeal by the affected employee, has reviewed the disposition of a grievance and found that such disposition was improperly effected by the Union or a Union Representative involved, the International Union may inform the Company's Human Resource Manager in writing that such grievance is reinstated in the Grievance Procedure at the step at which the original disposition of the grievance occurred.

It is agreed, however, that the Company shall not be liable for any claims for damages, including back pay claims, arising out of the grievance that either are already barred under the provisions of Article 6 of the Labor Agreement at the time of the reinstatement of the grievance or that relate to the period between the time of the original disposition and the time of the reinstatement as provided herein. It is further agreed that the reinstatement of any such grievance shall be conditioned upon the prior agreement of the Union and the employee or employees involved that none of them will thereafter pursue such claims for damages against the Company in the Grievance Procedure, or in any court or before any Federal, State, or Municipal agency. Notwithstanding the foregoing, a decision of the arbitrator on any grievance shall continue to be final and

binding on the Union and its members, the employee or employees involved and the Company and such grievances shall not be subject to reinstatement.

This provision is not to be construed as modifying in any way either the rights or obligations of the parties under the terms of the Labor Agreement, except as specifically limited herein, and does not affect Sections thereof that cancel financial liability or limit the payment or retro-activity of any claim, including claims for back wages, or that provide for the final and binding nature of any decisions by the Arbitrator or other grievance resolutions. It is understood that this provision and parties' obligations to reinstate grievances as provided herein can be terminated by either party upon thirty (30) days notice in writing to the other.

Agreed to:

Company:

Magna Steyr LLC, Toledo Paint Facility

By: Ch. Brown

Its: Plant Manager

Union:

LOCAL 12, UAW

By: M. H. Harrington

Its: International Union

Bargaining Committee:

Mike Becker

Taylor Flores, S.r.

Jackay S. Beck

PAA Holiday Pay Conversions

January 19, 2008

Mr. Michael Harrington
International Representative
Region 2-B, UAW
1691 Woodlands Drive
Maumee, OH 43537

RE:PAA Holiday Pay Conversion

Dear Mr. Harrington:

This letter recognizes an agreement of the parties reached during the labor negotiations regarding the above matter. Skilled trade employees otherwise eligible for PAA hours who work their scheduled hours on a designated holiday may convert holiday pay to PAA hours under the following conditions:

1. The employee worked his/her scheduled hours on designated holiday(s) identified in Section 15.1 of the Labor Agreement.
2. The employee elects, in advance of the holiday, to convert eight (8) hours to PAA in lieu of receiving holiday pay.
3. The employee may not elect to convert such holiday pay to PAA hours if in doing so would result in more than a balance of forty-eight (48) PAA hours.

Sincerely,



Erik Brodin
Operations Manager
Magna Steyr LLC,
Toledo Paint Facility

Staffing of Maintenance on Weekends

January 19, 2008

Mr. Michael Harrington
International Representative
Region 2-B, UAW
1691 Woodlands Drive
Maumee, OH 43537

RE: Staffing of Maintenance on Weekends

Dear Mr. Harrington:

During these negotiations Management expressed concerns with implementing a dedicated Skilled Trades weekend maintenance crew working an alternative schedule. The parties agree to discuss and review the feasibility of such staffing to include economic provisions and implementation shall be by mutual Agreement.

Sincerely,



Erik Brodin
Operations Manager
Magna Steyr LLC,
Toledo Paint Facility

Replenish Float

January 19, 2008

Mr. Michael Harrington
International Representative
Region 2-B, UAW
1691 Woodlands Drive
Maumee, OH 43537

RE: Replenish Float

Dear Mr. Harrington:

The Company acknowledges that normally scheduled production work day will not exceed ten (10) hours a day.

In the event of a facility breakdown, making it likely the company may shutdown the customer, the company may schedule up to one (1) hour of production.

In the event an additional hour becomes necessary the Company will inform the Union in advance as practicable.

The company reassures the union there is no intention to abuse this provision.

Sincerely,



Erik Brodin
Operations Manager
Magna Steyr LLC,
Toledo Paint Facility

Holidays

2007-2008

Nov. 22, 2007	Thanksgiving
Nov. 23, 2007	Day after Thanksgiving
Dec. 24, 2007	
Dec. 25, 2007	
Dec. 26, 2007	
Dec. 27, 2007	
Dec. 28, 2007	
Dec. 31, 2007	
Jan. 1, 2008	
Jan. 21, 2008	Martin Luther King Jr. Day
Mar. 21, 2008	Good Friday
Mar. 24, 2008	Day after Easter
May 26, 2008	Memorial Day
July 4, 2008	Independence Day
Aug. 29, 2008	Friday before Labor Day
Sept. 1, 2008	Labor Day

**Christmas
Holiday
Period**

Nov. 4, 2008	Federal Election Day
Nov. 27, 2008	Thanksgiving
Nov. 28, 2008	Day after Thanksgiving
Dec. 24, 2008	
Dec. 25, 2008	
Dec. 26, 2008	
Dec. 29, 2008	
Dec. 30, 2008	
Dec. 31, 2008	
Jan. 1, 2009	
Jan. 2, 2009	
Jan. 19, 2009	
April 10, 2009	
April 13, 2009	
May 25, 2009	
July 3, 2009	
Sept. 4, 2009	
Sept. 7, 2009	

**Christmas
Holiday
Period**

2009-2010

Nov. 26, 2009	Thanksgiving
Nov. 27, 2009	Day after Thanksgiving
Dec. 24, 2009	
Dec. 25, 2009	
Dec. 28, 2009	
Dec. 29, 2009	
Dec. 30, 2009	
Dec. 31, 2009	
Jan. 1, 2010	

**Christmas
Holiday
Period**

2010-2011

Nov. 2, 2010	Federal Election Day
Nov. 25, 2010	Thanksgiving
Nov. 26, 2010	Day after Thanksgiving
Dec. 24, 2010	
Dec. 27, 2010	
Dec. 28, 2010	
Dec. 29, 2010	
Dec. 30, 2010	

**Christmas
Holiday
Period**

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